

Forest Oil to sell Alaska holdings to California company

By WESLEY LOY
Anchorage Daily News
Published: May 29, 2007
Last Modified: May 29, 2007 at 01:28 PM

More alaska stories »

State OKs larger motors on lower Kenai
1:36 p.m. AKST
Birchwood fire victim recalled as 'gentle spirit'
Grizzly shows film crew less attractive nature
Kohring asked to step aside
Federal aid is available to fund vaccine for girls across Alaska

Denver-based Forest Oil Corp. announced today it has a "definitive agreement" to sell all of its Alaska assets to Pacific Energy Resources Ltd. of Long Beach, Calif., in a \$464 million deal.

Story tools

E-mail a friend
Print
Digg this
Seed Newsvine
Send link via AIM

Font size : A | A | A

The transaction is expected to close on June 30, Forest said in a news release.

Most of the sale price, \$380 million in cash, will go to repay loans of Forest's subsidiary, Forest Alaska Operating, the company said.

Forest had signaled in February it was shopping its Alaska assets.

The company's holdings are concentrated in a variety of Cook Inlet fields and platforms, including the Osprey platform. The sale includes a 40 percent stake in Cook Inlet Pipeline Co. plus about 1 million leased acres, Forest said.

According to Scotia Waterous (USA) Inc., a Houston firm that helped arrange the sale, Forest in the second half of last year produced an average of 4,720 barrels a day of oil and natural gas liquids from Alaska, plus more than 7 million cubic feet of natural gas.

Forest previously held an interest of less than half of 1 percent in Prudhoe Bay, the nation's largest oil field, but a company executive said the share was traded several months ago to Prudhoe's major owners BP, Conoco Phillips and Exxon Mobil, according to the trade journal Petroleum News.

Forest came onto the Alaska scene in 2000 with the purchase of Forcenergy Inc.

Pacific Energy is involved in exploration and production in California and Wyoming.

As part of the deal, Forest will get \$16 million worth of Pacific Energy stock based on the current price.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

Top stories »

State OKs larger motors on lower Kenai 2:43 p.m. AKST
Grizzly shows film crew less attractive nature
Kohring asked to step aside
Federal aid is available to fund vaccine for girls across Alaska
Is your name on the found

Most read

Grizzly shows film crew less attractive nature
Alaska Newsreader
Birchwood fire victim recalled as 'gentle spirit'
Kohring asked to step aside
Fairbanks alcohol dries up, bar one

Most e-mailed

Alaska isn't immune to immigration pinch
Alaska churches begin to speak out, join effort against warming
Oil tax should get a close second look
Study concludes few people think the race is 'cruel'

Most-viewed galleries

adn.com photo report
Alaska's vanity plates
Father look-alikes
2006 'Nice catch' gallery - Salmon
Prep Soccer
2006 'Nice catch' gallery - Halibut

Yahoo! My Yahoo! Mail Make Y! your home page

Search:

Web Search

YAHOO! FINANCE

Sign In
New User? [Sign Up](#)

[Finance Home](#) - [Help](#)

bizjournals
strictly business, strictly local

Enter Symbol(s)

GET QUOTES

Symbol Lookup

Finance Search

EXTRADE
EXTRADE SECURITIES

Switch to **Scottrade**

bizjournals.com

Forest Oil selling Alaskan assets

Tuesday May 29, 5:38 pm ET

Forest Oil Corp. has a definitive agreement in place to sell its Alaskan assets for \$464 million.

The Denver company (NYSE: [FST](#) - [News](#)) decided to sell the assets to reduce debt connected with its pending merger with The Houston Exploration Co.

The buyer is Pacific Energy Resources Ltd. of Long Beach, Calif.

Forest Oil said the deal should close by June 30.

The purchase agreement includes the acquisition of Forest Oil's subsidiary, Forest Alaska Operating LLC.

The majority of the company's Alaskan assets were transferred in October to Forest Alaska, which obtained a \$375 million loan for initial working capital.

The \$464 purchase price breaks down this way:

- \$380 million in cash to repay the Forest Alaska loan.
- \$68 million in cash to Forest Oil.
- 5.5 million shares of Pacific common stock to be issued to Forest Oil at about \$16 a share.

Forest Oil's Alaskan assets are chiefly located onshore and offshore Cook Inlet. The company had 52,252 developed gross acres and 1 million undeveloped acres at the end of last year.

Cook Inlet is adjacent to Anchorage.

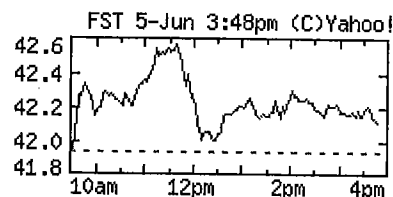
Forest Oil also said Tuesday it was commencing a private \$500 million debt offering. The company intends to use the proceeds to fund part of the Houston Exploration deal.

Published May 29, 2007 by The Denver Business Journal

bizjournals.com

- [Forest Oil selling Alaskan assets to help fund Houston Exploration deal](#)
- [Mariner revenue, earnings surge in first quarter](#)
- [Sale of Gulf assets hurts Houston Exploration's first-quarter earnings](#)

Related Quote



FST 42.04 +0.11 News

[View Detailed Quote](#)

Delayed 20 mins

[Providers](#) - [Disclaimer](#)

Related News Stories

- [Houston Exploration shareholders OK Forest merger](#) - bizjournals.com (5:10 pm)
- [Forest Oil deal expected to close Wednesday](#) - bizjournals.com (4:39 pm)
- [Houston Shareholders Approve Acquisition](#) - AP (3:49 pm)
- [Forest Oil Announces Results of Special Meeting of Shareholders](#) - Business Wire (2:45 pm)

[More...](#)

- By industry: [Independent Oil & Gas](#)

[Email Story](#)

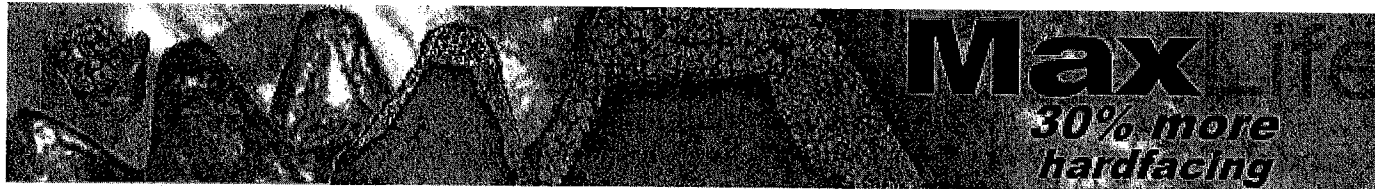
[Set News Alert](#)

[Print Story](#)

EXHIBIT F
PAGE 2 OF 3

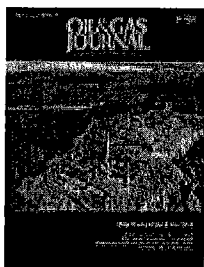
06/05/2007

PUBLICATIONS | EVENTS | RESOURCE CENTER | BOOKSTORE | FINANCIAL | BUYERS' GUIDE | CLASSIFIEDS | INDUSTRY JOBS



SUBSCRIBE [magazines](#) | [e-newsletters](#) | Oil & Gas Journal | [Search](#) | [advanced](#) s

CURRENT ISSUE



Vol 105 Issue 21 Jun 04, 2007

[Home](#)
[Media Kit](#)
[OGJ Supplements](#)
[Login](#)
[Subscribe](#)
[Premium Web Features](#)
[Current Issue](#)
[Past Issues](#)
[OGJ200 Index](#)
[OGJ Online Research Center](#)
[LNG Observer](#)
[LNG Observer Past Issues](#)
[Industry Links](#)
[Corporate Site Licenses](#)

Print this article Email this article Save this article [A](#) [A](#) [A](#) [A](#)

Pacific Energy to buy Forest Oil's Alaska assets

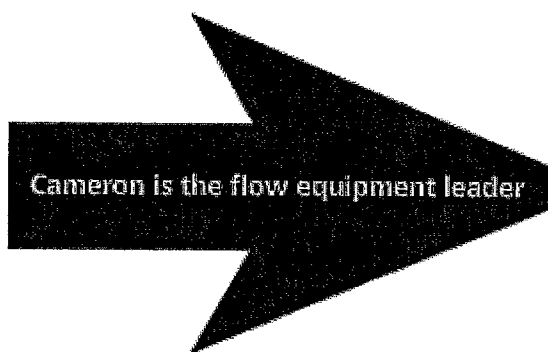
By OGJ editors

HOUSTON, May 29 -- Pacific Energy Resources Ltd. has agreed to buy Forest Oil Corp.'s Alaska assets for \$464 million in cash and stock.

The assets being acquired consist of 1 million net undeveloped acres, Forest's interest in the Cook Inlet Pipe Line Co., and Forest Oil's subsidiary Forest Alaska Operating LLC.

Forest's Alaskan assets at Jan. 1 had estimated proved reserves totaling 181 bcf of gas equivalent, and 2006 production from the assets averaged 38 MMcf of gas equivalent.

The transaction, effective Jan. 1, is expected to close June 30.



RELATED CONTENT

[White Papers](#)
[Webcasts](#)
[Events](#)
[Product Locator](#)
[Other PPG Publications](#)

Print this article Email this article Save this article [A](#) [A](#) [A](#) [A](#)

EXHIBIT F
PAGE 3 OF 3